

OCT - 4 2012

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
SPRINGFIELD DIVISIONCLERK OF THE COURT
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,)	
)	
)	Criminal No. 12-_____
Plaintiff,)	Violations: Title 18, United States Code,
)	Sections 371, 1341, 1957(a), and 2.
v.)	
)	
LEON DINGLE, JR.,)	
KARIN DINGLE,)	
JACQUELYN M. KILPATRICK, and)	
EDMOND CLEMONS.)	
)	
Defendants.)	

INDICTMENT

THE GRAND JURY CHARGES:

COUNT 1
(Conspiracy)**The Defendants and Their Associates**

At times material to this indictment:

1. Defendants **LEON DINGLE, JR. and KARIN DINGLE** were married and resided in Chicago, Illinois.
2. Advance Health, Social & Educational Associates, Inc. (AHSEA) was an Illinois for-profit corporation located in Chicago, Illinois. Defendant **LEON DINGLE, JR.** was the President, CEO, Treasurer, and sole shareholder of AHSEA. Defendant **KARIN DINGLE** was the Vice President and Secretary of AHSEA.
3. Defendants **JACQUELYN M. KILPATRICK and EDMOND CLEMONS**

resided together in Phoenix, Illinois. Defendant **KILPATRICK** was an employee, bookkeeper, and Vice President of Operations for AHSEA. Defendants **KILPATRICK** and **CLEMONS** operated Jeck Consultants, LLC, a limited liability corporation established in 2009.

4. Defendants **LEON DINGLE, JR., KARIN DINGLE, KILPATRICK, and CLEMONS**, and AHSEA all utilized the same accountant to prepare their federal and state tax returns.

5. The business and personal associates of Defendants **LEON DINGLE, JR., KARIN DINGLE, KILPATRICK, and CLEMONS** included the not-for-profit organizations Broadcast Ministers Alliance, Access Wellness and Racial Equity, and Medical Health Association.

6. Broadcast Ministers Alliance of Chicago (BMA) was an Illinois-based, not-for-profit organization, established in 1975 and located in Chicago, which consisted of a faith-based alliance of various Chicago-area ministers.

7. Access Wellness and Racial Equity NFP (AWARE) was an Illinois-based, not-for-profit organization, established in 2007 by an associate of Defendant **LEON DINGLE, JR.**, which provided medical consulting services.

8. Medical Health Association NFP (MHA) was an Illinois-based, not-for-profit organization, established in 2008 by another associate of Defendant **LEON DINGLE, JR.**, which provided medical consulting services.

The Illinois Department of Public Health

9. The Illinois Department of Public Health (Department) was an agency of the State of Illinois that was charged with promoting the health of the people of Illinois through the prevention and control of disease and injury. Specifically, the Department was charged under Illinois law with, among other things, coordinating state programs and services relating to the prevention and treatment of acquired immunodeficiency syndrome (AIDS), including grants to individuals, organizations, and facilities to support information, referral, and treatment services, and supplementation of other public and private resources. In 2005, the Department implemented a social marketing program known as BASUAH (Brothers And Sisters United Against HIV/ AIDS) to reach the African-American community through HIV/ AIDS education, prevention and testing.

10. In addition, the Department was charged with raising public awareness on the causes and nature of breast, cervical, and prostate cancer. In 1995, the Department implemented the Illinois Breast and Cervical Cancer Program, which was designed to reduce breast and cervical cancer mortality by providing screening and diagnostic services that promoted early detection.

11. Finally, the Department was charged with raising public awareness concerning and adopting and implementing rules, contact lists, and response plans governing public health preparedness and response and collaborating with federal, state, and local authorities, including local public health authorities and private

organizations. In 2007, the Department implemented the Faith-Based Emergency Preparedness Initiative, which leveraged federal funding to work with public entities and religious organizations to enhance preparedness for major emergencies, including natural disasters and pandemic flu outbreaks.

12. As part of the Department's grant application and grant agreement process, grant applicants were required to submit a grant application, including a proposed budget and work plan, detailing the manner in which grant funds would be expended to reflect the underlying purpose of the grant program. The grant applications and agreements included representations that grant funds would be expended for services and products relating to promoting public awareness concerning breast, cervical, and prostate cancer, HIV/AIDS, and emergency preparedness. In addition, grantees were required to document actual expenditures for the purchases of goods and services relating to the particular grant and to furnish reports to the Department to establish an audit trail for future verification of the appropriate use of grant funds. Finally, grantees were required to complete and submit program and fiscal reports to the Department, detailing the manner in which grant funds were actually spent, and maintain complete and accurate books and records for a period of three years following the grant period.

The Conspiracy

13. Beginning in approximately 2004 and continuing to approximately June 2010, in the Central District of Illinois, and elsewhere, the defendants,

**LEON DINGLE, JR., KARIN DINGLE,
JACQUELYN M. KILPATRICK, and EDMOND CLEMONS,**

knowingly conspired with each other and others to defraud the State of Illinois, the United States, and others and to obtain the money and property of the State of Illinois and BMA, AWARE, and MHA by means of false and fraudulent pretenses, representations, promises, and material omissions, in violation of Title 18, United States Code, Section 1341.

Manner and Means of the Conspiracy

14. As part of the conspiracy, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, fraudulently solicited and obtained more than \$11,000,000 in grant funds from the Department, representing that such funds would be used for their intended purposes, when in fact, as the defendants well knew, they intended to and did embezzle, steal, misapply, and convert as much as \$3,700,000 or more of the grant funds to the personal use and benefit of Defendants **LEON DINGLE, JR. and KARIN DINGLE** and their family members, to the use and benefit of AHSEA, a firm which Defendants **LEON DINGLE, JR., KARIN DINGLE, and KILPATRICK** controlled, to the use and benefit of Defendants **KILPATRICK and CLEMONS** and their family members, and to the use and benefit of Jeck Consultants, LLC, a firm which Defendants **KILPATRICK and CLEMONS** controlled. In addition, as a further part of

the conspiracy and to conceal its existence, Defendants **LEON DINGLE, JR. and KARIN DINGLE** fraudulently failed to report and pay federal and state income taxes on approximately \$1,400,000 in income, the majority of which was grant funds, and Defendants **KILPATRICK and CLEMONS** fraudulently failed to report and pay federal and state income taxes on approximately \$277,000 in income, the majority of which was grant funds.

15. As a further part of the conspiracy, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, fraudulently utilized BMA, AWARE, and MHA, as non-profit organizations, to apply for and receive more than \$11,000,000 in Department grant funds, the majority of which were non-competitively awarded and paid up front, for programs relating to breast, cervical, and prostate cancer, HIV/ AIDS, and emergency preparedness, when in fact, as the defendants well knew, such organizations were nothing more than straw grantees, which, upon receipt of their grant funds from the Department, transferred control of such funds to Defendants **LEON DINGLE, JR. and KILPATRICK**, including transferring the funds directly to AHSEA, a for-profit organization controlled by Defendants **LEON DINGLE, JR., KARIN DINGLE, and KILPATRICK**.

16. As a further part of the conspiracy, and to effectuate control over grant funds, Defendants **LEON DINGLE, JR. and KILPATRICK** executed contractual agreements with BMA, AWARE, and MHA, representing that they would duplicate the services and obligations such organizations agreed to perform as part of the grant

agreements, and then concealed from the Department such contractual agreements and the amount of grant funds transferred to AHSEA and to the ultimate benefit of the defendants.

17. As part of the conspiracy, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, fraudulently submitted grant applications, budgets, and reports, which concealed the amount of funds received by the defendants, failed to detail the manner in which grant funds would be or were expended, and falsely reported the amount of grant funds paid to others, including churches, organizations, and consultants.

18. As a further part of the conspiracy, and to conceal the amount of grant funds received by the defendants, Defendant **LEON DINGLE, JR.**, together with Defendant **KILPATRICK**, failed to submit accurate final reports on more than one-half of the grants awarded, including submitting only partial final reports for some grants and on other grants failing to submit any final reports.

19. As a further part of the conspiracy, on or about February 1, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused AWARE to obtain a \$40,000 grant for the purpose of researching opportunities to eliminate disparities in health care by increasing the number of minority physicians in Illinois. As a further part of the conspiracy, the defendants caused \$14,500 of the grant funds to be paid to AHSEA for services to be performed under the grant, when, in fact, minimal work was performed and the majority of the \$14,500 in funds were paid to

the benefit of Defendants **LEON DINGLE, JR. and KARIN DINGLE.**

20. As a further part of the conspiracy, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused more than \$500,000 in grant funds awarded to BMA, AWARE, and MHA to be diverted in less than one year to an associate of Defendant **LEON DINGLE, JR.** for little work that was actually performed under and for the purposes of the grant agreements.

21. As a further part of the conspiracy, on or about February 8, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused MHA to obtain a \$600,000 grant for the purpose of promoting emergency preparedness and response. In so doing, the defendants falsely represented that MHA would expend the grant funds for their intended purpose, including approximately \$326,000 to purchase and distribute 10,000 pandemic flu kits, 3,000 disaster planning kits, and hand sanitizers for adult day care centers, when in fact, as the defendants well knew, they spent considerably less than the represented amounts for the purposes of the grant and diverted approximately \$192,500 to an associate of Defendant **LEON DINGLE, JR.** for little or no work and diverted approximately \$100,000 for the benefit of Defendants **LEON DINGLE, JR., KAREN DINGLE, and KILPATRICK.**

22. As a further part of the conspiracy, beginning in approximately May 2008, Defendant **KILPATRICK** assisted the tax preparer for AHSEA and the defendants in utilizing the tax preparer's own non-profit organization to apply for and receive approximately \$310,000 in Department BASUAH and HIV/ AIDS and prostate, breast,

and cervical cancer grant funds, approximately \$60,000 of which was paid to Defendant **CLEMONS** and Jeck Consultants, LLC.

23. As a further part of the conspiracy, on or about August 28, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused MHA to obtain a \$225,000 breast and cervical cancer education and awareness grant, representing that such funds would be used for health education and outreach during Breast Cancer Awareness Month, Hispanic Heritage Month, and Black History Month, when in fact, as the defendants well knew, a substantial amount of such funds was not spent in the manner represented in the grant agreement. In so doing, the defendants submitted a final report to the Department, in which they falsely represented the amounts of grant expenses, including approximately \$3,820 for a scholarship expense, concealed approximately \$97,000 that was diverted to the benefit of Defendants **LEON DINGLE, JR.** and **KARIN DINGLE**, the majority of which was paid on the mortgage for their son, and concealed approximately \$3,820 that was paid for the college tuition for a family member of Defendant **KILPATRICK**.

24. As a further part of the conspiracy, on or about September 12, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused BMA to obtain a \$145,000 prostate cancer education and awareness grant, representing that such funds would be used to provide prostate cancer outreach and to increase the number of men receiving screenings. As a further part of the conspiracy, Defendant **LEON DINGLE, JR.**, together with Defendant **KILPATRICK**, fraudulently

diverted and falsely represented to the Department the amount of grant funds paid to the benefit of Defendants **LEON DINGLE, JR. and KILPATRICK**.

25. As a further part of the conspiracy, on or about October 8, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused MHA to obtain a \$245,000 prostate cancer education and awareness grant, representing that such funds would be used for, among other things, conducting at least five educational seminars, developing and implementing a barber shop outreach program, and developing and disseminating an appropriate service provider referral listing, when in fact, as the defendants well knew, a substantial amount of such funds was not spent in the manner represented in the grant agreement. In so doing, the defendants submitted a final report to the Department, in which they falsely represented the amounts of grant expenses, and concealed approximately \$140,000 that was diverted to the benefit of Defendants **LEON DINGLE, JR. and KARIN DINGLE** and approximately \$12,000 that was diverted to the benefit of Defendants **KILPATRICK and CLEMONS**.

26. As a further part of the conspiracy, on or about October 14, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused BMA to obtain a \$200,000 breast and cervical cancer education and awareness grant, representing that such funds would be used to provide outreach and cancer screenings and to provide two college scholarships. As a further part of the conspiracy, Defendant **LEON DINGLE, JR.**, together with Defendant **KILPATRICK**, fraudulently

diverted and falsely represented to the Department the amount of grant funds paid to the benefit of Defendants **LEON DINGLE, JR. and KILPATRICK**, including the use of more than \$8,000 in grant funds to pay the college tuition and student loan payments for two family members of Defendants **KILPATRICK and CLEMONS**.

27. As a further part of the conspiracy, on or about November 13, 2008, Defendant **LEON DINGLE, JR.**, with the assistance of Defendant **KILPATRICK**, caused MHA to obtain a \$175,000 grant, which was later increased to \$245,000, for the purpose of promoting the Department's BASUAH program, representing that such funds would be used for, among other things, health education and outreach activities during the Hispanic Heritage Month and the World AIDS Day Month and the implementation of a beauty salon/barber shop outreach program, when in fact, as the defendants well knew, a substantial amount of such funds was not spent in the manner represented in the grant application and agreement. In so doing, the defendants submitted a final report to the Department, in which they falsely represented the amounts of grant expenses, concealed approximately \$70,000 (the amount of the grant increase) that was diverted to the benefit of Defendants **LEON DINGLE, JR. and KARIN DINGLE**, and falsely represented that \$10,000 in grant funds was spent for a scholarship, when, in fact, no such scholarship was awarded and approximately \$5,000 in grant funds was paid for the college tuition for a family member of Defendant **CLEMONS**.

28. As a further part of the conspiracy, Defendant **LEON DINGLE, JR.**, with

the assistance of Defendant **KILPATRICK**, misappropriated approximately \$29,000 in grant funds by purchasing tickets, two skyboxes, food, and alcohol for the 2007 and 2008 Chicago Football Classic.

29. As a further part of the conspiracy, the defendants utilized a hidden AHSEA bank account at US Bank, which was not recorded on AHSEA's financial records, into which grant funds, AHSEA rental income, and other funds were deposited, and from which funds were disbursed to Defendants **KILPATRICK** and **CLEMONS** and their family members.

30. As a further part of the conspiracy, AHSEA received approximately \$7,400,000 in grant funds, which largely funded approximately \$3,000,000 received by Defendants **LEON DINGLE, JR.** and **KARIN DINGLE** and their family members, the vast majority of which was grant funds, including approximately \$300,000 of which was paid directly to Defendant **KARIN DINGLE**, which they used to generate large amounts of cash, purchase approximately \$300,000 in certificates of deposit, and pay expenses relating to, among other things, the Chicago Yacht Club, the South Carolina Yacht Club, the Mid-America Club, purchase of luxury cars, maintenance of a condominium at the Chicago Marina Towers Condominium Association, which was used by Defendant **KILPATRICK** and her family member, and maintenance and renovation of vacation homes in Savannah, Georgia and Hilton Head, South Carolina, the payment of mortgage and other expenses for family members, and the payment of approximately \$400,000 in legal fees for lawsuits filed against Defendant **LEON**

DINGLE, JR. and AHSEA.

31. As a further part of the conspiracy, Defendants **KILPATRICK and CLEMONS** and their family members received approximately \$700,000, which they used to pay expenses relating to, among other things, maintenance of a vacation home in Hilton Head, South Carolina, the purchase of luxury cars, certificates of deposit, and a fur coat, and the payment of college tuition and loans for family members.

32. As a further part of the conspiracy, Defendants **LEON DINGLE, JR., KARIN DINGLE, and KILPATRICK** falsified and manipulated AHSEA's books and records, which they provided to their tax preparer, to conceal and evade the payment of taxes on approximately \$1,400,000 in income, including grant income, received by AHSEA and Defendants **LEON DINGLE, JR. and KARIN DINGLE**. Specifically, the defendants, among other things, caused the books and records of AHSEA to falsely represent that approximately \$160,000 in funds paid to Defendant **LEON DINGLE, JR.** was reimbursement for expenses incurred for scholarships and pandemic flu kits when no such expenses were incurred; falsely represent that funds paid for the repayment of loan principal was a loan interest expense; falsely represent approximately \$500,000 as accounts payable for expenses that were never incurred; falsely represent approximately \$250,000 in expenses that was nothing more than transfers of funds between AHSEA bank accounts; and falsely represent an additional approximately \$168,000 in funds paid to Defendant **LEON DINGLE, JR.** as reimbursement for advertising, scholarship, postage, rent, and other expenses that were never incurred. As

a result, Defendants **LEON DINGLE, JR. and KARIN DINGLE** avoided the payment of approximately \$530,000 in federal and state income taxes.

Overt Acts in Furtherance of the Conspiracy

33. In furtherance of the conspiracy and to accomplish its objectives, the overt acts the defendants committed and caused to be committed included, but were not limited to, the following:

(a) From on or about October 4, 2007, and continuing to on or about June 10, 2010, Defendants **LEON DINGLE, JR. and KILPATRICK** caused the Department to award various grants to BMA, AWARE, and MHA and the State of Illinois to issue checks from Springfield, Illinois, including those checks identified in Counts 2 through 14 of this indictment, to fund the grants and submitted various false and fraudulent grant-related documents to the Department in Springfield, Illinois.

(b) On or about October 15, 2008, Defendant **LEON DINGLE, JR.** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Small Business Corporation Replacement Tax Return, Form IL-1120-ST, for AHSEA for the tax year 2007 that underreported the ordinary income from the federal Schedule K by approximately \$650,000.

(c) On or about August 15, 2008, Defendant **KILPATRICK** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Sales and Use Tax Return for AHSEA for the period January 1, 2007, to December 31, 2007, that underreported total receipts of the business by approximately \$300,000.

(d) On or about October 15, 2008, Defendants **LEON DINGLE, JR.** and **KARIN DINGLE** signed and submitted to Springfield, Illinois an Illinois Department of Revenue Individual Income Tax Return, Form IL-1040, for the tax year 2007 that underreported the federal adjusted gross income by approximately \$650,000.

(e) On or about October 15, 2009, Defendant **LEON DINGLE, JR.** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Small Business Corporation Replacement Tax Return, Form IL-1120-ST, for AHSEA for the tax year 2008 that underreported the ordinary income from the federal Schedule K by approximately \$675,000.

(f) On or about October 15, 2009, Defendants **LEON DINGLE, JR.** and **KARIN DINGLE** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Individual Income Tax Return, Form IL-1040, for the tax year 2008 that underreported the federal adjusted gross income by approximately \$675,000.

(g) On or about October 7, 2010, Defendant **LEON DINGLE, JR.** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Small Business Corporation Replacement Tax Return, Form IL-1120-ST, for AHSEA for the tax year 2009 that underreported the ordinary income from the federal Schedule K by approximately \$50,000.

(h) On or about October 7, 2010, Defendants **LEON DINGLE, JR.** and **KARIN DINGLE** signed and submitted by mail to Springfield, Illinois an Illinois Department of Revenue Individual Income Tax Return, Form IL-1040, for the tax year 2009 that

underreported the federal adjusted gross income by approximately \$50,000.

All in violation of Title 18, United States Code, Sections 371 and 2.

COUNTS 2 - 14
(Mail Fraud)

1. Beginning in approximately 2004 and continuing to approximately June 2010, in the Central District of Illinois, and elsewhere, the defendants,

LEON DINGLE, JR., KARIN DINGLE, and JACQUELYN M. KILPATRICK,

knowingly devised and participated in a scheme to defraud the State of Illinois, BMA, AWARE, MHA and others and to obtain their money and property by means of false and fraudulent pretenses, representations, promises, and material omissions.

2. As part of the scheme, paragraphs 1 through 33 of Count 1 of this indictment are re-alleged and incorporated herein by reference.

3. On or about the dates listed below, for each count, and for the purpose of executing and attempting to execute the above-described scheme to defraud and to obtain money and property, the defendants,

LEON DINGLE, JR. and JACQUELYN M. KILPATRICK ,

caused to be delivered by the United States Postal Service, according to the directions thereon, the following mail matter from the State of Illinois in Springfield, Illinois, consisting of State of Illinois warrants (checks) and representing the funding of Department grants to BMA, AWARE, and MHA:

<u>COUNT</u>	<u>DATE</u>	<u>WARRANT NUMBER and AMOUNT</u>
2	November 5, 2007	AG5778051 - \$275,000 (BMA)
3	November 26, 2008	AH0625328 - \$145,000 (BMA)
4	December 23, 2008	AH1143262 - \$225,000 (BMA)

5	December 29, 2008	AH1165161 - \$175,000 (BMA)
6	January 30, 2009	AH1546171 - \$25,000 (BMA)
7	February 10, 2009	AH1655097 - \$225,000 (MHA)
8	February 23, 2009	AH1811649 - \$70,000 (MHA)
9	February 25, 2009	AH1829994 - \$245,000 (MHA)
10	April 9, 2009	AH2551114 - \$50,000 (MHA)

4. On or about the dates listed below, for each count, and for the purpose of executing and attempting to execute the above-described scheme to defraud and to obtain money and property, the defendants,

LEON DINGLE, JR., KARIN DINGLE, and JACQUELYN KILPATRICK,
caused to be delivered by the United States Postal Service, according to the directions thereon, mail matter from AHSEA to the Illinois Department of Revenue in Springfield, Illinois, which mail matter consisted of AHSEA's State of Illinois Corporate Tax Returns and State of Illinois Sales and Use Tax Returns and the State of Illinois Personal Income Tax Returns for Defendants **LEON DINGLE, JR. and KARIN DINGLE:**

<u>COUNT</u>	<u>DATE</u>	<u>TAX RETURN</u>
11	August 15, 2008	Form ST-1 Sales and Use Tax Return for period of January 1 through December 31, 2007
12	October 15, 2008	Form IL-1120-ST Small Business Corporation Replacement Tax Return for 2007; Form IL-1040 Individual Income Tax Return for 2007

- | | | |
|----|------------------|--|
| 13 | October 15, 2009 | Form IL-1120-ST Small Business Corporation Replacement Tax Return for 2008; Form IL-1040 Individual Income Tax Return for 2008 |
| 14 | October 8, 2010 | Form IL-1120-ST Small Business Corporation Replacement Tax Return for 2009; Form IL-1040 Individual Income Tax Return for 2009 |

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS 15-16
(Mail Fraud)

1. Beginning in approximately January 2007 and continuing to approximately April 15, 2009, in the Central District of Illinois, and elsewhere, the defendants,

JACQUELYN M. KILPATRICK, and EDMOND CLEMONS,

knowingly devised and participated in a scheme to defraud the State of Illinois and to obtain its money and property by means of false and fraudulent pretenses, representations, promises, and material omissions.

2. Paragraphs 1 through 33 of Count 1 of this indictment are re-alleged and incorporated herein by reference.

3. As part of the scheme, the defendants caused approximately \$100,000 in funds to be disbursed to Defendant **KILPATRICK** from AHSEA's hidden US Bank account, which was not reported as income on the defendants' personal tax returns.

4. As part of the scheme, the defendants caused approximately \$18,000 in funds to be disbursed by AHSEA for payment on the mortgages for the defendants' residence and Defendant **KILPATRICK**'s vacation home in Hilton Head, South Carolina, which was not reported as income on the defendants' personal tax returns.

5. As part of the scheme, the defendants caused AHSEA to disburse approximately \$25,000 for the benefit of the defendants, including \$10,000 for the purchase of 2008 Cadillac, which was not reported as income on the defendants' personal tax returns.

6. As part of the scheme, the defendants caused AHSEA to disburse funds out of the hidden US Bank account to make car payments and funds from other AHSEA accounts to make payments on their credit cards and for the college tuition and student loans for their family members.

7. As a result of their scheme, the defendants failed to report approximately \$277,000 in income, resulting in the avoidance of payment of approximately \$90,000 in federal and state income taxes.

8. On or about the dates listed below, for each count, and for the purpose of executing and attempting to execute the above-described scheme to defraud and to obtain money, the defendants,

JACQUELYN M. KILPATRICK and EDMOND CLEMONS,

caused to be delivered by the United States Postal Service, according to the directions thereon, the following mail matter to the Illinois Department of Revenue in Springfield, Illinois, which mail matter consisted of their State of Illinois Personal Income Tax Returns:

<u>COUNT</u>	<u>DATE</u>	<u>TAX RETURN</u>
15	April 15, 2008	Form IL-1040 Individual Income Tax Return for 2007
16	April 15, 2009	Form IL-1040 Individual Income Tax Return for 2008

All in violation of Title 18, United States Code, Sections 1341 and 2.

COUNT 17
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about April 18, 2008, in the Central District of Illinois, and elsewhere, the defendant,

EDMOND CLEMONS,

did knowingly engage in a monetary transaction, namely, the deposit of a \$11,000 check, drawn on AHSEA's account at US Bank, and deposited to his bank account at Wachovia Bank, Chicago, Illinois, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 18
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about May 1, 2008, in the Central District of Illinois, and elsewhere, the defendant,

KARIN DINGLE,

did knowingly engage in a monetary transaction, namely, the issuance of a \$58,962.80 check, drawn on her personal account at Associated Bank in Chicago, Illinois, and made payable to Mercedes Benz of Westmont, Westmont, Illinois, for the purchase of a 2008 Mercedes Benz, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 19
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about June 5, 2008, in the Central District of Illinois, and elsewhere, the defendant,

LEON DINGLE, JR.,

did knowingly engage in a monetary transaction, namely, the issuance of a \$30,498.45 check, drawn on his personal account at Associated Bank in Chicago, Illinois, and made payable to Mercedes Benz of Westmont, Westmont, Illinois, for the purchase of a 2005 Mercedes Benz, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 20
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about March 5, 2009, in the Central District of Illinois, and elsewhere, the defendant,

LEON DINGLE, JR.,

did knowingly engage in a monetary transaction, namely, the issuance of a \$95,066.02 cashier's check from Associated Bank in Chicago, Illinois, and made payable to Wells Fargo Home Mortgage, for the payment on a mortgage loan of Defendant **DINGLE's** son, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 21
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about April 18, 2009, in the Central District of Illinois, and elsewhere, the defendant,

JACQUELYN M. KILPATRICK,

did knowingly engage in a monetary transaction, namely, the issuance of a \$55,237.30 check, drawn on her personal bank account at Harris Bank, Chicago, Illinois, and made payable to Mercedes Benz of Orland Park, Orland Park, Illinois, for the purchase of 2009 Mercedes Benz, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 22
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about April 20, 2009, in the Central District of Illinois, and elsewhere, the defendant,

EDMOND CLEMONS,

did knowingly engage in a monetary transaction, namely, the issuance of a \$40,000 check, drawn on the account of Jeck Consultants, LLC at Harris Bank, Chicago, Illinois, and made payable to Defendant **CLEMONS**, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

COUNT 23
(Money Laundering)

1. Paragraphs 1 through 4 of Counts 2 through 14 of this indictment are re-alleged and incorporated herein by reference.

2. On or about October 12, 2009, in the Central District of Illinois, and elsewhere, the defendant,

JACQUELYN M. KILPATRICK,

did knowingly engage in a monetary transaction, namely, the deposit of a \$15,000 check, drawn on AHSEA's bank account at US Bank, and deposited into her bank account at Associated Bank, Chicago, Illinois, by, through, and to a financial institution affecting interstate commerce, in criminally derived property that was of a value greater than \$10,000, with such property having been derived from a specified unlawful activity, namely, mail fraud, in violation of Title 18, United States Code, Section 1341.

All in violation of Title 18, United States Code, Sections 1957(a) and 2.

A TRUE BILL,

FOREPERSON

JAMES A. LEWIS
UNITED STATES ATTORNEY
TB